



**HOUSING AND ECONOMIC RECOVERY ACT OF 2008  
 First-time Homebuyer Tax Credit**

| <b>FEATURE</b>                                  | <b>H.R. 3221<br/>Housing and Economic Recovery Act of 2008</b>  |
|---|---|
| Amount of Credit                                | Ten percent of cost of home, not to exceed \$7500   |
| Eligible Property                               | Any single-family residence (including condos, co-ops) that will be used as a principal residence.  |
| Refundable                                      | Yes. Reduces income tax liability for the year of purchase. Claimed on tax return for that tax year.  |
| Income Limit                                    | Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$75,000 (\$150,000 on a joint return). Phases out above those caps (\$95,000 and \$170,000, respectively). |
| First-time Homebuyer Only                       | Yes. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years previous to purchase.   |
| Recapture                                       | Yes. Portion (6.67 % of credit) to be repaid each year for 15 years. If home sold before 15 years, then remainder of credit recaptured on sale.   |
| Impact on District of Columbia Homebuyer Credit | DC credit not available if purchaser uses this credit.  |
| Effective Date                                  | Purchases on or after April 9, 2008   |
| Termination                                     | July 1, 2009  |
| Interaction with Alternative Minimum Tax        | Can be used against AMT, so credit will not throw individual into AMT.  |